

A photograph of a man and a woman in business attire sitting at a small round table in a modern office setting. The man is on the left, wearing a dark suit and glasses, gesturing with his hands. The woman is on the right, wearing a light blue suit, holding a tablet. The background is a bright, modern office with large windows.

Mitigating Meetings Risk: 2016 vs. 2013 Findings

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From financial and reputational risk to legal and regulatory risk, meetings and events can open organizations up to many types of potential risk if not properly managed. In 2013, American Express Meetings & Events conducted a study to better understand key areas of meetings risk among meeting planners and meeting owners. With today's increased focus on regulatory and compliance issues in the meetings industry, we were interested to determine if three years later there have been shifts in meeting planner and meeting owner activities and behaviors related to risk.

This paper shares the results of a follow-up study conducted in August 2016. We surveyed over 400 meeting planners, meeting owners, and company leaders to get insight into the current state of risk mitigation. The good news is that overall our findings indicate improvements across all risk categories. Today 89% of planners and 80% of meeting owners agree that risk is properly mitigated in their organization. This response is significant progress over 2013 when only 49% of planners and 56% of meeting owners indicated the same. Despite this good news, we also uncovered substantial gaps that still need to be addressed and, in some cases, identified areas where risky behaviors appear to be increasing.

More Planners and Owners Agree Risk is Properly Mitigated in Organization

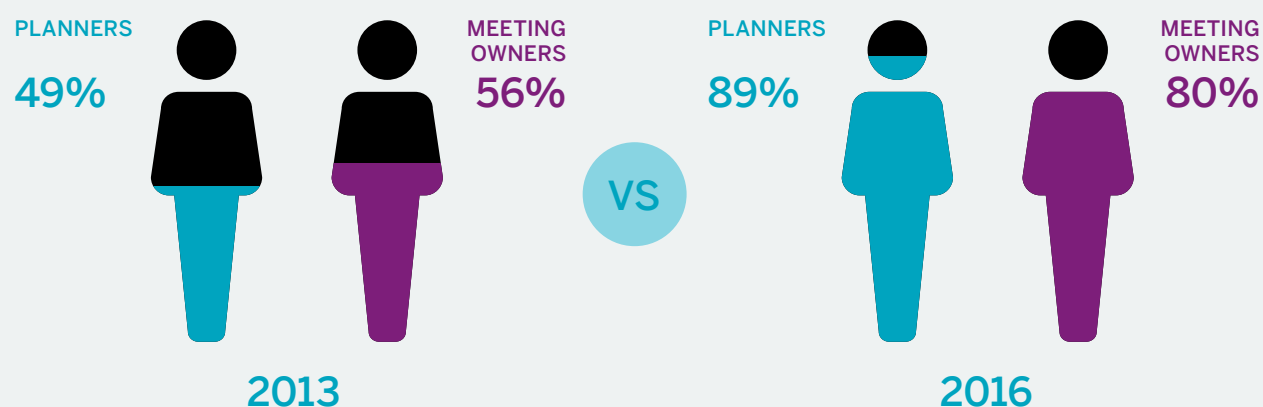


Figure 1: Source "American Express Meetings & Events Risk Study", August of 2016 and January of 2013.

Improvements and Watch Outs in Key Areas of Risk

Meeting Policy

An impressive 100% of planners in 2016 say they are likely to follow their organization's meeting policy, compared to 88% in 2013. This is a reflection of both the increasing focus on compliance and an increase in the use and maturity of meetings management programs.

Planners Likely to Follow their Organizations Meetings Policy

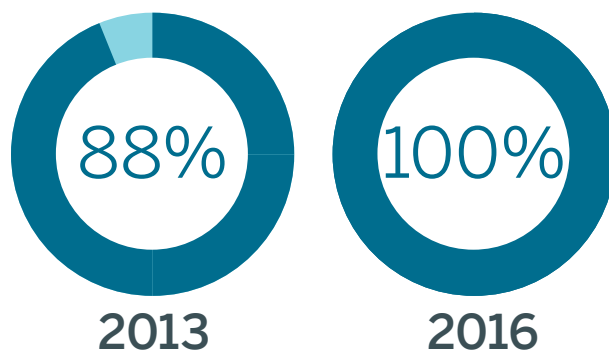


Figure 2: Source "American Express Meetings & Events Risk Study", August of 2016 and January of 2013.

NEW FOR 2016, OVER 75% OF PLANNERS AND MEETING OWNERS REPORT THEY INCLUDE, OR PLAN TO INCLUDE, SOCIAL MEDIA AND LUXURY PROPERTY CLAUSES IN THEIR POLICY.

⚠ Watch Out

2016 FINDINGS SHOW AN INCREASE IN THE NUMBER OF PLANNERS (17%) AND MEETING OWNERS (12%) THAT SAY THERE IS NO FORMAL MEETING POLICY IN PLACE WITHIN THEIR ORGANIZATION.

In our increasingly compliance-focused industry, organizations without a policy may fail to properly manage costs, resources, duty of care and regulatory compliance requirements.

Startups or organizations adding new divisions may have contributed to the increase in number of companies without a policy. For these organizations, or anyone new to managing meetings, creating policy is often the first step. Taking small steps and identifying the categories most relevant to your organization can be a good place to start when introducing a meetings policy. Third party meeting management companies also have extensive experience with the development and implementation of meeting policies and can be a good resource to help establish a meetings policy.

Duty of Care/Crisis Management

Across the board, more meeting owners indicate they are currently implementing, or planning to implement, crisis management initiatives such as scripted communications, data redundancy/backup, and use of international medical and security services.

86% of meeting owners with a policy in place currently have, or plan to have, specific duty of care clauses in their meetings policy.



⚠ Watch Out

ALMOST 1/3 OF BOTH PLANNERS AND MEETING OWNERS STILL DO NOT HAVE STANDARD OPERATING PROCEDURES IN PLACE TO MANAGE A CRISIS.

With recent emergency events like the terror attacks in Nice and Brussels and natural disasters like the flooding in Louisiana, having a crisis management plan is imperative for meeting owners. While 53% of planners today indicate they always track attendees whereabouts, an alarming 11% of planners indicate they *never* track their attendees.

When a crisis strikes, planners can respond faster and help more attendees if they can quickly assess the location of attendees, then prioritize their troubleshooting efforts. If attendee locations are unknown, meeting planners and owners will be unable to assist proactively. Planners are known for being flexible and keen problem-solvers yet none should have to second guess their actions because the crisis plan had not been proactively discussed ahead of time.

Meeting Supplier Contracts

In 2016, 86% of planners (an increase of 31% over 2013) say their legal and procurement departments review hotel contracts and 8% say they only review contracts themselves. Except for third party meeting planning company contracts, organizations are more often using their own contract addendums with hotels and destination management companies now than in 2013.



⚠ Watch Out

9% of planners and 6% of meeting owners don't think a contract needs to be executed with meeting services suppliers. These planners and owners may not be considering the amount of financial and legal risk they are assuming on behalf of their organization.

Contract does NOT Need to be Executed with Meeting Services Suppliers

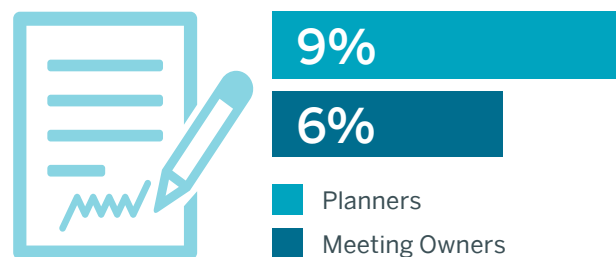


Figure 3: Source "American Express Meetings & Events Risk Study", August of 2016 and January of 2013.

To help reduce potential risk, organizations should work to develop standard addendums or contracts for each of the meeting supplier types. Or if preferred, meeting owners can work with meeting sourcing professionals or third parties trained in contract review and negotiations. If going it alone, planners need to understand the edits that are acceptable and unacceptable, and how to properly negotiate contract terms to reduce costs and mitigate risks.

Tracking and Reporting

There has been substantial improvement in the area of tracking and reporting over the last three years. Almost 95% of meeting planners are tracking and reporting on all meeting expenses, up almost 15% from 2013. Additionally, more planners report that they receive a budget and that they manage forecasted to actual budgets.



⚠ Watch Out

Meeting owners state gaining transparency into all meetings & events data is a top priority. Over half of planners surveyed are still using Microsoft Excel and the Internet to manage all of their meeting planning activities – from budgets to RFPs to attendee communications. As in 2013, almost 50% of meeting owners still report their organization doesn't require planners to track savings/cost avoidance.

Organization does NOT require Planners to Track Savings/Cost Avoidance



Figure 4: Source "American Express Meetings & Events Risk Study", August of 2016 and January of 2013.

Planners may believe that the quickest way to accomplish a task is by using a MS Office product or the Internet, but fail to realize that manual retrieval of the information later in the process is more time consuming, less visible and transparent, and inefficient. A best practice is to automate the end-to-end meeting process using meeting management technology.

Ethical Considerations

In addition to the above gaps that need to be addressed in business processes, there were two disconcerting indications that unethical activities may be on the rise. 7.6% of planners surveyed say they would follow through on an unethical request and 15.5% of meeting owners indicate that they expect this is happening, vs. 3% and 2% respectively in 2013. Additionally, while the use of hotel points for personal use is down, both planners and owners responded that there is an increase in the personal use of familiarization trips, up over 15% from 2013. These trips can potentially create a conflict of interest if the organization's policy does not clearly define when it is acceptable or not for a planner to accept an invitation from a supplier, and when there is not a clear business purpose for the trip. Too often, a planner is in a position to confront a colleague or supplier, often with a much bigger title and role, about unethical requests and proper professional conduct. Organizations should educate planners on their ethical and reputational responsibilities, and how to respond to these requests.

Conclusion

In the past three years it is apparent that meetings and events professionals have taken seriously the increased pressure to implement internal controls and policies to mitigate meeting risks.

As we look to the future and the continued growth of the industry, we must keep a watchful eye as meeting planners take on more and more responsibilities. It will be critical that organizations have the right resources, partners, and policies in place to ensure the successful execution of high impact, low risk meetings.



About the American Express Meetings & Events Risk Study

American Express Meetings & Events conducted this study in August of 2016. The study was conducted as a two-dimensional survey with 402 responses: 156 respondents who were meeting planners and 246 respondents who were leaders in meetings, procurement, finance, marketing, sales, or meeting budget holders. Risk exposure questions were focused in the seven key areas of:

- › Strategy
- › Financial
- › Legal / Regulatory
- › Reputation
- › Market
- › Business Operations
- › Technology

Almost 2/3 of the responses were from small-to mid-market sized organizations with less than \$250 million in annual revenue and less than 2500 employees. The majority of responses were from North America (88.4%) and across all industries.

Respondents to the Study:



402
Total Responses:

246
Leaders

156
Planners

We know meetings

We view meetings as opportunities. To connect. To generate value. To create a meaningful experience with both immediate and lasting impact. At American Express Meetings & Events, we know meetings are an important part of your business, and we want to help you make the most of your investment.

American Express Meetings & Events offers best-in-class capabilities and a wide-range of scalable, customizable solutions to address customer meeting needs. Whether you need help with a single meeting or managing your entire meetings portfolio, our solutions help you deliver powerful meeting experiences. Our approach enables customers to consistently achieve business results, maximize saving opportunities, and leverage greater visibility with each specific meeting or event.

Our offerings are enhanced by unparalleled global access to consultative experts and industry-leading partners. Through best-of-breed tools, technologies and analytics designed to reach business goals in a more cost effective way, we ensure customers are confident, satisfied, and in control.

With more than 25 years of experience in meetings management, we have the expertise to work with you to deliver the right approach to meet your needs.

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MEETINGS & EVENTS

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